

PRELIMINARY REPORT
EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR
PMA No. 3950

Resolution 29799 directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case by case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines, which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 in support of the recommendation. This report also follows those provisions of Resolution 30862, adopted May 1, 2006, that amended Resolution 29799.

Property Management Area: **PMA No. 3950 – Seattle Public Utilities Drainage,
N 140th and Lenora Place N**

BACKGROUND INFORMATION

Legal Description: Lot 26, Block 22, Plat of Overland Park, according to plat thereof recorded in Volume 26 of Plats, page 44, Records of King County, Washington.

Physical Description and Related Factors: PMA No. 3950 is a rectangular corner parcel located in North Seattle. Originally platted in 1923, the lots in Overland Park were often 21' x 102'. The subject property retains its original dimensions of 20.73' x 102'. The parcel is identified by King County Assessors as Property Identification No. 645030-4545. Currently, there are no easements on this property, but if sold, Seattle Public Utilities (SPU) will require an easement for sewer line maintenance. This easement will measure 12' wide, running along the entire eastern boundary of the parcel, from north to south. This easement will include provisions that will give Seattle Public Utilities unlimited access to its sewer. Although SPU agrees to return the property to its original condition after working on the sewer, the property owner will not be allowed to build on the easement area, nor plant trees or place any other obstructions in this area.

There is also an encroachment issue from the neighboring property that will require resolution. On a recent site visit, it was immediately noticed that the city property has been used for parking; there were a total of three vehicles, and a shipping container with unknown contents on the property. The container appears to be situated over the City's sewer line that runs along the easterly boundary of the lot. There is also a gravel parking pad, fence, and yard ornaments located within the boundaries of the city property.

GUIDELINE A: CONSISTENCY

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.

PMA No. 3950 was originally purchased in 1958 in connection with North 128th Street Sanitary Sewer. The City of Seattle had acquired 12' easements across the properties to the north. The owner of this property refused to grant an easement as he felt it would make his 20.73' wide lot too small to build on. The City paid \$1.00 for the lot, and back taxes of \$8.91. Revenue for the sale came from sewer utility funds authorized for acquisition of public utility right-of-way. It was accepted by Ordinance No. 87863 on a deed executed November 14, 1958. In a letter dated 1/2/1958, signed by

Roy W. Morse, City Engineer, it was advised that “If at some time in the future an abutting owner desires to purchase the property, it can be sold by the Sewerage Utility, retaining either the fee title to the east 12 feet or an easement there over for the sewer.”

GUIDELINE B: COMPATIBILITY AND SUITABILITY

This part of Seattle was not incorporated into the City until 1953, and had been sparsely populated at the time. The current trend of development can be seen in the neighborhood, and surrounding areas, with a mix of single and multi-family dwellings. Most of the originally small lots have been combined with neighboring lots to create larger single family dwelling lots.

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities, and in support of other priorities reflected in adopted City policies

Context.

There are several city-owned properties in the general area.

| Location | Size | Description | Location relative to PMA 3950 | Jurisdictional Department |
|----------------------------------|-----------------|---------------------|-------------------------------|--|
| 14099 Ashworth Ave N PMA 1554 | 1,378 Sq. Ft. | Excess Right of Way | 871 ft. Northeast | Seattle Fleets and Facilities Department |
| Bitter Lake Reservoir PMA 4450 | 574,556 Sq. Ft. | Open space-park | 1,206 ft. West | Seattle Parks Department and Recreation |
| PMA 546 | 30,139 Sq. Ft. | Right of Way | 1,285 ft. Northwest | Seattle City Light |

Range of Options.

The options for disposition of this parcel include retention by the City for a public purpose, long-term ground lease, negotiated sale to a motivated purchaser, or sale by public bid. An Excess Property Notice for this property was circulated in July 2008 to assess other City department and public entity interest in use of the property. No City department has identified any current or future use or need for the properties. Neither Seattle Housing Authority nor the Office of Housing views PMA No. 3950 as a suitable site for affordable housing development. Neither the Seattle Parks Department nor the Department of Neighborhoods expressed interest in using the site for some form of park, community facility or community garden. Transfer of the property to another City department for housing, community garden, park or open space use would require compensation to Seattle Public Utilities. Given the lack of identified current or future municipal use, long-term lease or retention of the property is not in the City’s best interests.

GUIDELINE C: OTHER FACTORS

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that make affect the value of the property.

Highest and Best Use: Conceivably, this parcel could be developed for single family dwelling as it was originally platted for that use. This would ultimately be determined by Department of Planning and Development. Considering the small size of the lot, which is certainly below the 5000 SF minimum lot size for current zoning, and set back requirements, developing this lot would be a challenge. A 12-foot wide easement for the sewer line on the eastern boundary of this lot, extending north and south will be reserved if title to PMA No. 3950 is conveyed to another party. This reservation will further restrict the footprint of any proposed building development on the property, and require a five foot setback from the easement boundary. Drainage is also a problem, as the street gradient slopes down along the east and south sides of the lot. Runoff from the street has been diverted from the neighboring property along the southeast section of the lot. Development of this lot will require additional drainage control.

Compatibility with the physical characteristics:

The use of this lot would be most compatible with single family dwelling. The size of the lot would make placement of a residence on the property somewhat challenging.

Compatibility with surrounding uses: This small corner parcel is located on a block consisting of many originally small parcels that have been combined over the years into larger parcels. PMA No. 3950 and the neighboring property to the north are exceptions. Currently, there are no sidewalks in the neighborhood. This lot would be most compatible with residential use. It might be possible to place a small dwelling on the property, or it could be purchased by the neighboring property in order to increase lot size, consistent with most other properties on this block.

This is a small corner lot located in a residential neighborhood of single and multi family units. It is surrounded by major streets, such as Aurora Ave to the west, Stone Way and Interlake Ave N to the east, and Roosevelt Way N to the northeast. To the west of this property, lining Aurora, are a number businesses. This is a commercial district containing a number of retail businesses. Blocks to the west, north and south the residence are majority multi-family units. Properties east of this lot are densely single family residential.

Timing and Term of Proposed Use: The property was declared excess on 6/30/2008. Excess circulation of this property began on 7/18/2008. If the Council approves disposition of the property, the property could be sold in 2009. Development of the property would be subject to the intent of the eventual purchaser of the lot.

Appropriateness of the consideration: The 2009 assessed value of the property is \$118,000. The property is proposed to be sold to the neighboring property owner in accordance with procedures as approved by the City Council. Legislation would authorize the Real Estate Services Unit of Seattle Public Utility to consider an acceptable price based on fair market value to be determined by an appraisal or similar market analysis

Unique Attributes: This property was originally purchased in order for Seattle Public Utilities to create and retain an easement for a sewer line. The previous owners sold their parcel to the City in lieu of granting an easement. Drainage and development potential are discussed in the Highest and Best Use section above.

Potential for Consolidation with adjacent public property: There are no immediately adjacent public properties, with the exception of the drainage line running north-south along the easterly boundaries of the westerly parcels, parallel to Lenora Place N. There is a corresponding easement over the sewer line. SPU has determined that PMA No. 3950 is excess to its needs, therefore there is no need for consolidation.

Conditions in the real estate market:

Although the Seattle area real estate market has not been hit as hard as the national market, declines were seen in all ranges of the local market over the past year. Seattle home prices were down 15% from year over January 2009. Prices were down 19.7% from July 2007. There is some optimism in that the number of pending sales increased from 1,611 in February 2009 to 2,058 in March in King County, a 28% jump. This is significantly stronger than last year's jump – only 10% in 2008. Statistics from the Northwest Multiple Listing Service indicate that sales of undeveloped land remain comparatively strong. For a pool of 69 closed transactions of raw land, 43.5% of those sales were on the market for 30 days, and another 23.2% less between 31-60 days. The average selling price for these listings was 90% of listing price. The remaining 33% of sales were on the market for 61-120 days, and the average listing price ranged from 81.6% to 90.9% of listing price. Thus, although the tight credit market has created uncertainties for developers, the scarcity of appropriately priced development lots and land is likely to keep property values on undeveloped land strong over the long run.

Known environmental factors: This lot will have drainage problems, and require more extensive diversion of street runoff than is currently present.

GUIDELINE D: SALE

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

The neighboring property owner to the north has expressed an interest in acquiring this lot. He has recently advised the City that he intends to proceed with a claim of adverse possession to gain title to the City's property.

PUBLIC INVOLVEMENT

An excess property notice was mailed to approximately 334 neighbors on 7/30/2008. By 9/15/2008 Fleets and Facilities Department (FFD) received a total of 5 comments, 3 written, and 2 by telephone. Of the written comments, one suggested that the parcel should be converted into a P-patch. Another stressed that the parcel not be used to “build more of the current complexes of crowded buildings whether apartments or townhouses”. One comment strongly urged that the parcel be sold to a neighboring property. Of the two phone calls, one from the neighboring property to the north suggested that the City sell the property to him. The other suggested that the property could be converted into a pocket park. A common theme of concern is lack of parking, the absence of sidewalks and overcrowding in the neighborhood. An excess property sign was posted onsite June 29, 2009. There are no special interest groups commenting on this property.

RECOMMENDATION

Given the locale, zoning, and compatibility with surrounding properties, the best use of this property is for single family residential use. FFD recommends that this can be achieved by selling to the adjoining property owner for a negotiated price based on fair market value. This would also alleviate the current encroachment issue. As previously noted, building restrictions for this size property make development particularly challenging. An exception to current zoning and building codes would be necessary to allow the building of a modest single family dwelling.

THRESHOLD DETERMINATION

The Disposition Procedures provide that FFD assesses the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council. The Property Threshold Determination Form prepared for Lenora Street and 140th is attached at the end of this report. The transaction is rated as “Simple”, base upon the factors considered and the score calculated for disposition of PMA No. 3950.

NEXT STEPS

Following preparation of this Preliminary Report, FFD will provide a summary to the Real Estate Oversight Committee, to all City departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public who responded to the Initial Public Notice. This notice will advise how to obtain a full copy of the report, and advise that FFD will consider comments on the Preliminary Report for 30 days after mailing and direct where and to whom any comments should be addressed. FFD will also post one sign visible to the public at each street frontage abutting the Excess Property which provides the same information.

After comments are received after the posting of the Preliminary Report, FFD then revises its recommendation as appropriate, and prepares a Summary Preliminary Report including a report on public involvement, community comments, and feedback. The Recommendation is then forwarded to the City Council with any legislation necessary to implement the recommendation for the excess property. All comment-makers and other interested parties are provided with at least two-week notice of the hearing at which the City Council makes a decision concerning disposition of PMA No. 3950.

PROPERTY REVIEW PROCESS DETERMINATION FORM

| | | | |
|-----------------|-------------------------------------|------------------|---------------------------------|
| Property Name: | Lenora Street | | |
| Address: | Lenora and 140 th Street | | |
| PMA ID: | 3950 | Subject Parcel # | 6450304545 |
| Dept./Dept ID: | SPU | Current Use: | Vacant with sewer line |
| Area (Sq. Ft.): | 2114 Sq. Ft. | Zoning: | SF 5000 (single family) |
| Est. Value: | | Assessed Value: | \$118,000 (2009 tax assessment) |

PROPOSED USES AND RECOMMENDED USE

Department/Governmental Agencies: None *Proposed Use: N/A*

Other Parties wishing to acquire: *Proposed Use:*

RES'S RECOMMENDED USE:

Sell to the adjoining property owner for a negotiated price based on fair market value.

PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)

- | | | |
|---|---|----|
| 1.) Is more than one City dept/Public Agency wishing to acquire? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 15 |
| 2.) Are there any pending community proposals for Reuse/ Disposal? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 15 |
| 3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options? | No / <input checked="" type="checkbox"/> Yes | 15 |
| 4.) Will consideration be other than cash? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 10 |
| 5.) Is Sale or Trade to a private party being recommended? | No / <input checked="" type="checkbox"/> Yes | 25 |
| 6.) Will the proposed use require changes in zoning/other regulations? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 20 |
| 7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 10 |
| 8.) Is the estimated Fair Market Value over \$1,000,000? | <input type="checkbox"/> No / <input checked="" type="checkbox"/> Yes | 45 |

| | |
|---|-----------|
| Total Number of Points Awarded for "Yes" Responses: | 40 |
|---|-----------|

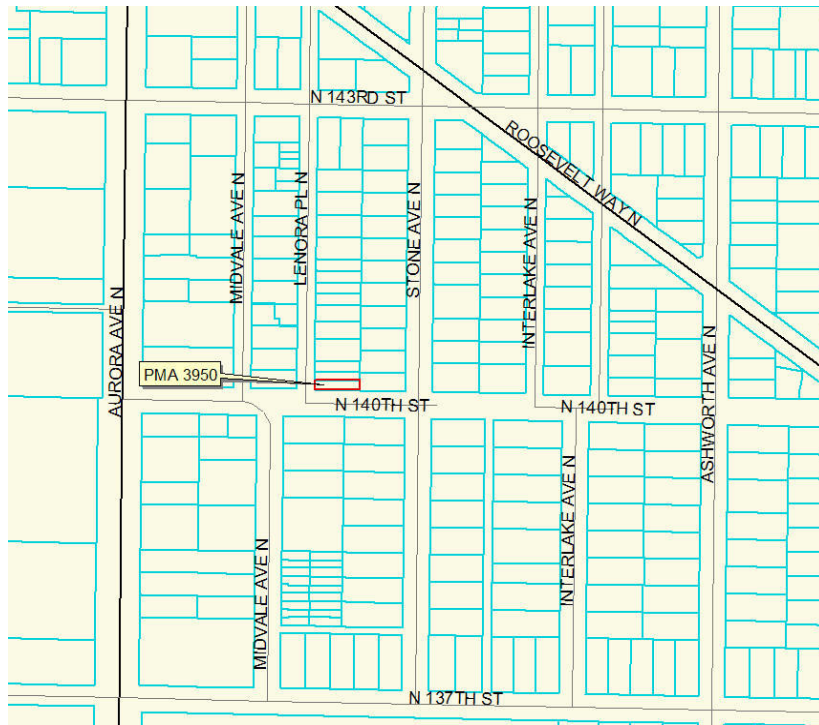
Property Classification for purposes of Disposal review: ☒ Simple / ☐ Complex (circle one) (a score of 45+ points results in a "Complex" classification)

Signature: Richard Gholagong

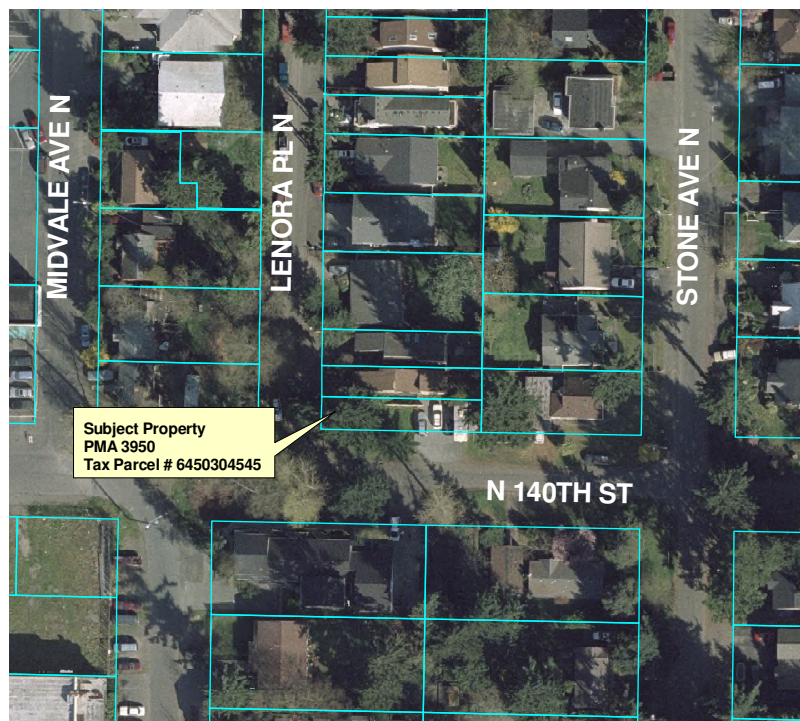
Department: FFD/RES

Date: July 13, 2009

Street location



Aerial view with detail



**Northwest edge of
property with truck**



**West edge of the
property with
encroaching fence**



**View from N 140th
south to north**



**View from Lenora Pl
west to east**

